MEETING NO. 2008-21: The Regular meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7 p.m. by Mayor Bruce Botelho.

I. FLAG SALUTE was led by Mayor Bruce Botelho.

II. ROLL CALL

Assembly Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Sara Chambers, Bob Doll, Johan Dybdahl (telephonic), Merrill Sanford, David Stone and Randy Wanamaker.

Assembly Absent: None.

Staff Present: Kim Kiefer, Deputy City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director; Dale Pernula, Community Development Director; John Stone, Port Director; Rorie Watt, Acting Engineering Director; Mike Branum, Emergency Program Manager; Kirk Duncan, Eaglecrest Ski Area Manager.

III. SPECIAL ORDER OF BUSINESS

Chief Mohrmann honored John George, Training Officer for the Fire Department for eight years, and with 10 years of service to department, who is moving on to an Associate Professorship for Fire Sciences at the University of Alaska Fairbanks. He thanked him for his services and provided him with a certificate and an award.

IV. APPROVAL OF MINUTES

A. June 23, 2008 – Regular Meeting 2008-20

Hearing no objection, the minutes of the June 23, 2008 Regular Meeting 2008-20 were approved.

V. MANAGER'S REQUEST FOR AGENDA CHANGES

Kim Kiefer requested that Transfer T-884 regarding School GO Bonds be removed from the agenda and that Transfer T-882 be amended in the title to reflect a corrected amount of $250,000 in FY07 areawide street sales tax.

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS.

Paula Terrell, Thane Road, and Kirby Day spoke together about their concerns regarding downtown congestion. Ms. Terrell said she had the scare of her life, and the situation on South Franklin Street is an accident waiting to happen. She was traveling at 10 miles per hour and a young woman jumped in front of her car while waving to someone across the street. The crosswalks are great, but there is a whole group of people who will not use them. South Franklin is a city street, not a state road. We should have something attractive that cannot be breached, so people can only use the crosswalks. Something has to be done. Years ago, there was no light at hospital drive, but someone was killed and now there is a light. She has spoken to JCVB and Princess Tours about making announcements on the ships.

Kirby Day, Princess Tours, said that Tourism Best Management Practices has discussed this for years, and it would be good to formulate a plan to test out some sort of soft barrier to guide pedestrians to
crosswalks. In Sitka, they have a guard with a whistle to remind people to use the crosswalks. The CBJ Engineering Department has worked with us on this, and any costs should come out of Passenger Fee money. If vehicles have a difficult time, then tour buses and fuel trucks have an even more difficult time with this situation.

Ms. Chambers asked if any other parties have worked on this situation. Ms. Terrell said there was Collaboration Juneau. Mr. Day said he would be addressing this with Downtown Business Association this week.

Albert Judson, made a plea to get the Juneau Access Project on the upcoming city election ballot. He asked if it was fair to ask people living in the capital city to build a road in order to keep the capitol. Was it right for the state to force an unwanted project on the public? Please let the people of Juneau vote on this issue. The unstable nature of the Juneau Access and the capitol move keeps people from making relocation and business decisions in favor of Juneau. The only way we can have progress is through a stable environment, and the threat of this road and a capitol move creates an unstable environment. Let’s let the state government know where Juneau stands.

Karla Hart, Mendenhall Valley, asked the Assembly to direct staff to include a revision in the noise ordinance to include tourism related noise, including helicopter and flight seeing noise. This is a significant issue even if people have given up trying to ask the Assembly for help. She referred to noise regulations in Haines. She spoke about instituting a Juneau permit for icefield landings. Creating a noise ordinance that includes all commercial tourism noise activities would be looking into the future. She distributed a handout regarding the symptoms and side effects of noise, and referred people to www.icbn.org. Noise is a significant public health threat. If the assembly does not address this, it will force citizens to draft an initiative that would have more restrictions than there might be if it worked through an ordinance in a public process.

Robert Garrison, 300 Hermit St., said he has cleaned up at the Gold Creek Bridge on frequent occasions, and this area needs to be blocked off, it has been a problem for some time. He recommended taking the wire down to tide as it is a bad situation. The Calhoun area was blocked off because there was a rape in that area, and this is the only way to prevent problems. He asked about recycling trash downtown, as there are a lot of aluminum cans found in the public trashcans there. The small park at 3rd and Seward is full of cigarette butts and it appears that no one has cleaned it since the time it opened. The trashcans are not obvious to the users of the park and there is no receptacle for cigarettes. The bark from the park blows all over and it has never been swept up.

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction- None.

B. Assembly Requests for Consent Agenda Changes

Mayor Botelho said that per the manager’s request, Transfer T-884 regarding School GO Bonds was removed from the consent agenda and that Transfer T-882 was amended in the title to reflect a corrected amount of $250,000 in FY07 areawide street sales tax. There were no other changes to the consent agenda made by the Assembly.

C. Assembly Action

MOTION, by Wanamaker, to adopt the consent agenda as amended. Hearing no objections, it was so ordered.

1. Ordinances for Introduction
a. Ordinance 2007-21(BD)

An Ordinance Appropriating To The Manager The Sum Of $3,813,750 To Fund The City And Borough Of Juneau’s Fiscal Year 2008 Public Employee Retirement System Contribution, Funding Provided By The Alaska Department Of Administration.

Administrative Report: Attached. The manager recommended Ordinance 2007-21(BD) be introduced and set for public hearing at the next regular Assembly meeting.

b. Ordinance 2008-22

An Ordinance Providing For The Issuance And Sale Of General Obligation Bonds In The Principal Amount Of Not To Exceed $4,000,000; Providing For The Form And Terms Of The Bonds And For Unlimited Tax Levies To Pay The Bonds; Providing For The Appointment Of A Bond Registrar; and Authorizing a Preliminary Official Statement.

Administrative Report: Attached. The manager recommended Ordinance 2008-22 be introduced and set for public hearing at the next regular Assembly meeting.

c. Ordinance 2008-15(A)

An Ordinance Appropriating To The Manager The Sum Of $90,000 As Partial Funding For Development And Implementation Of Stormwater Management Standards And Guidelines, Grant Funding Provided By The Alaska Department Of Environmental Conservation.

Administrative Report: Attached. The manager recommended Ordinance 2008-15(A) be introduced and set for public hearing at the next regular Assembly meeting.

d. Ordinance 2008-15(B)

An Ordinance Appropriating To The Manager The Sum Of $1,993,623 As Partial Funding For The Bartlett 2005 Capital Improvement Project, Funding Provided By 2004 Revenue Bond Interest Income.

Administrative Report: Attached. The manager recommended Ordinance 2008-15(B) be introduced and set for public hearing at the next regular Assembly meeting.

e. Ordinance 2008-15(C)

An Ordinance Appropriating To The Manager The Sum Of $10,506,094 As Partial Funding For The Runway Safety Area Construction Capital Improvement Project, Grant Funding Provided By The Federal Aviation Administration.

Administrative Report: Attached. The manager recommended Ordinance 2008-15(C) be introduced and set for public hearing at the next regular Assembly meeting.

f. Ordinance 2008-15(D)

An Ordinance Transferring $609,551 To The Cruise Ship Berth Enhancement And Open Spaces Waterfront Land Acquisition Capital Improvement Projects, Funding Provided By The Marine Passenger Fee Fund.

Administrative Report: Attached. The manager recommended Ordinance 2008-15(D) be introduced and set for public hearing at the next regular Assembly meeting.

g. Ordinance 2008-15(F)

An Ordinance Appropriating To The Manager The Sum Of $31,652 As Partial Funding For The Thunder Mountain High School Capital Improvement Project, Funding Provided By 2004 A&B General Obligation Bond Interest Income.
Administrative Report: Attached. The manager recommended Ordinance 2008-15(F) be introduced and set for public hearing at the next regular Assembly meeting.

h. Ordinance 2008-15(G)
An Ordinance Appropriating To The Manager The Sum Of $52,000 As Funding For Promotion Of The Alaska Statehood 50th Anniversary Celebration, Grant Funding Provided By The State Of Alaska, Office Of The Governor.

Administrative Report: Attached. The manager recommended Ordinance 2008-15(G) be introduced and set for public hearing at the next regular Assembly meeting.

2. Transfers
a. Transfer T-882
Transferring $250,000 In FY07 Areawide Street Sales Tax And $100,000 In Rasmuson Grant Funding From The Eaglecrest Mountain Top Road Capital Improvement Project (CIP) To The Mid-Mountain Chairlift CIP And To The FAA Monitoring Station Electrical Upgrade Service CIP.

Administrative Report: Attached. The manager recommended Transfer T-882 be approved.

b. Transfer T-883
Transferring $50,000 Of Water Funds From The 4th Street Douglas Sewer Main Replacement Capital Improvement Project (CIP) To The Areawide Water Main Repairs CIP.


3. Bid Awards
a. Bid E09-023 – Term Contract for Pearock

Administrative Report: Attached. The manager recommended award of this project to Channel Construction, in the amount bid, for a total award of $126,700.

 Removed from the Consent Agenda:

Transfer T-884 – REMOVED from the agenda – not approved.
Transferring $999,259 In School General Obligation (GO) Bond Funds To The Thunder Mountain High School Capital Improvement Project (CIP) (454-83).

VIII. PUBLIC HEARING

A. Ordinance 2008-21(b)
An Ordinance Establishing The Sustainability Fund.

Administrative Report: Attached. The manager recommended Ordinance 2008-21(b) be adopted.

Public Comment:

Kirby Day, representing Princess Cruises, encouraged adoption of this ordinance. Princess Tours thinks this idea has merit and the company is looking for ways they can participate.

Assembly Action:

MOTION, by Stone, to adopt Ordinance 2008-21(b).
Mr. Wanamaker said he was asked by citizens about a radio announcement that said there were private donors for this fund. Mr. Stone said that he was not sure it was appropriate to announce who would be making donations at this time, but the idea was to establish a fund, that the fund will be sustainable, and we look forward as a community that has done a great job conserving energy to invest in additional conservation measures. We heard from one corporate citizen, and I hope we will be interesting many sponsors.

Mr. Anderson asked what type of projects would be investigated and if funds from the account would be used for education as well as capitalization efforts. Mr. Stone said the fund was envisioned to invest in large capital expenses, such as the conversion of streetlights to LED lighting. The difference of what would have been paid and what the new cost would be would allow the Assembly to invest the savings into the fund. He saw education as a much smaller part.

Mr. Anderson asked how it would be decided which projects would be done. Mr. Stone said that the manager or department heads would come to the Assembly with proposals and the Assembly would determine the best investment.

Mr. Anderson asked how the funding would work. Mr. Stone said projects would be brought forward for investment, and the savings realized from the investments would be re-invested into the fund.

Mayor Botelho said private entities could donate funds as a capital source for projects that should result in energy conservation. The assembly could approve and whatever money was used from the fund would be replenished by the savings achieved. It would have to be the savings from the investments made by the fund.

Mr. Sanford asked why another budget category was needed and why these improvements were not being made through the existing city budget, if the expenditures were prudent.

Mr. Stone said Mr. Sanford was correct, that we should always be looking at conservation measures; however, this would be funded by private sources and gives the Assembly more flexibility and another tool.

Mr. Bush was concerned that interest from the funds was shown as being deposited into the general fund. If these are private funds donated to a city project, we should respect the trust status and treat this as a trust, and he was a little uncomfortable with the benefits that the general fund could get from the trust.

Mr. Hartle said that we were attempting to not make a dedicated fund, which would violate the charter. It merely states that this is the intent of the assembly, to use the funds in this way, assuming there are donors. He structured it on an existing fund.

Craig Duncan said that if CBJ was investing in fixed income items that the interest income earned would always exceed the inflationary amounts – at least that would be the hope – CBJ would earn more in investment than we would see in inflation.

Mr. Bush said if that were the case, there would always be excess earnings from the fund that will be placed in the general fund. He did not think it was a dedicated fund, or a legal issue, but a policy issue, and asked how this decision was made. Mayor Botelho said he had not discussed with Mr. Stone how to make a profit center for the general fund, but this ordinance was modeled after a fund that was in existence and no deep thought had gone in to how to manage the excess interest.

At ease 7:45 pm
MOTION, by Bush, to amend section E, page 2, 2nd sentence, strike the words “a portion of” and at the end line 19, beginning with the word sufficient, strike to line 21, the word “index,” to then read, “the net income from the investment of the principle of the sustainability fund shall be placed into the fund principle.” The rest of the section is stricken.

Mr. Bush said that this results in all income generated by the fund going back into the same fund.

Mr. Stone accepted the change.

There was no objection to the amendment.

Mr. Doll discussed an example and asked where the amount of the savings come from that go back into the fund. Mr. Stone said that the Assembly would look at the savings to justify those savings, so that the difference needs to be appropriated from the general fund to be placed into the investment fund.

Mr. Anderson said that he didn’t see that there was a limit to the number of years the savings would be realized, so how long would the appropriations of savings into the fund go on. Mayor Botelho said it would be up to the amount of the original investment from the fund.

Ms. Chambers asked if this was creating an extra burden for the staff to determine energy savings, where there could be other savings such as labor or depreciation. Mr. Stone said these would be straightforward issues that made sense and we do not want staff to be spending a lot of time justifying use of the fund. We are looking at conservation efforts that involve electricity, as this is simple; vehicles are not precluded. Ms. Chambers said that fuel energy would be a savings, so it would not be just electricity.

Mr. Sanford said he was basically in favor of this but getting back to the budget, we should, as a routine, have staff tell us now how much energy will be saved by taking certain actions; take the actions and actually save the money. Creating this fund does not result in any actual dollars saved. It will still cost the budget the amount we are saving.

Mr. Bush said this fund was designed to address the up-front capital costs in order to realize the long-term savings. It is hard to request a budget increase for a significant capital expense that has promise of future savings.

Mr. Stone said that CBJ will not always be flush with cash, and we want a sustainable fund that the city can use for valuable projects.

Mr. Anderson asked if ground source heat pumps would be a subject for consideration. Mr. Stone said yes.

Hearing no objection, Ordinance 2008-21(b) was adopted as amended.

IX. UNFINISHED BUSINESS – None.

X. NEW BUSINESS

A. Liquor Licenses

MOTION, by Chambers, that the Assembly accept the Human Resources Committee recommendation to waive the right to protest, and approve the restaurant designation permits:

1. Ownership Transfer of Restaurant Eating Place License #4493 and Application for a Restaurant Designation Permit
Transfer From: Heritage Northwest Inc. d/b/a Wild Spice  
Transfer To: Kwang Su Yoon & Dong Joon Yi d/b/a Wild Spice  
Location: 140 Seward Street, Juneau

2. Restaurant Designation Permit Application  
Quy T. Lam d/b/a Dragon Inn  
Location: 5000 Glacier Highway, Juneau

Hearing no objection, it was so ordered.

B. Supplemental Agreement - Eaglecrest

Administrative Report: Attached. The manager said she had reviewed the criteria for supplemental agreements required by law. In light of the savings in bid prep costs, that the work requested in the supplemental agreement is consistent with work Arete is currently performing, that they are doing the work on the road up part of the mountain already, that Arete is already mobilized, and that Arete can continue construction for a completion date of fall 2008 rather than in 2009, thus allowing the power to the FAA monitoring station to be completed in 2009 potentially instead of 2010, she recommended that, in the best interest of the public, the Assembly approve entering into this Supplemental Agreement with Arete Construction and direct herself, Acting City Manager, Kim Kiefer, to sign this Supplemental Agreement.

Mr. Doll said this was reviewed by the PWFC. It does provide a substantial award to Arete, and the committee believes it is in the best interest of CBJ to sign this agreement.

MOTION, by Doll, to enter into this Supplemental Agreement with Arete Construction. Hearing no objection, so ordered.

C. Change Order – Auke Bay Loading Facility

Administrative Report: Attached. The manager recommended that contingent upon Planning Commission approval of the modification to the Conditional Use Permit, that the Assembly approve this change order.

Mr. Anderson said he assumed that the resource agencies’ permission was granted on this project. Mayor Botelho said the Corps of Engineers had issued its permit.

Mr. Doll confirmed that the urgency for this change order was due to the building season.

Hearing no objection, the Assembly adopted the manager’s recommendation.

XI. STAFF REPORTS

A. Construction Activity Update – Dale Pernula

Mr. Pernula provided an update of construction activities in Juneau and said this information was also available on the internet at http://www.juneau.org/cddftp. New residential construction is down, there are 20 units under construction and there are usually about 40 units at this time. All other categories are up. Two hundred twenty-five permits for residential reconstruction have been issued – this indicates significant remodeling is going on, and commercial remodeling is up as well. Many of the projects are public – such as the schools and airport, but there are also some large private structures, including the Safeway remodel, the new Salvation Army building, the remodel of the NEA building and the Scottish Rite Temple conversion.
There is a 3.55% vacancy rate for residential units overall, which is higher than in the past, but still at a low rate.

Work on the Comprehensive Plan continues and there will be public meetings and the plan will be submitted to the assembly in August.

The Planning Division has reviewed several projects including the Vista Del Sol Subdivision, new hangars at the airport, new boat hangars on Industrial Boulevard, and many airport projects.

Ms. Chambers thanked Mr. Pernula for the information, and asked how the population information is gathered. Mr. Pernula said that the vacancy survey is based on the number of residential units in an area, the type of units and the average number of occupants of each type of unit. An actual survey is done of about 10% of the buildings. The State has agreed that this approach is an accurate method.

Mr. Doll said that he understood the theoretical ideal is a 5% vacancy rate. Mr. Pernula said yes, and that there were not a lot of “spec homes” in Juneau. Most new residential construction was custom homes scattered throughout the borough. Ms. Chambers requested that this information be forwarded to the Affordable Housing Commission.

Mr. Sanford said this was an enlightening report and thanked Mr. Pernula.

XII. ASSEMBLY REPORTS

A. Committee Reports

_Lands Committee:_ Chair Bush announced that there was consensus reached on Auke Lake and there will be a minor amendment to the ordinance proposed soon. The next meeting is August 4, 2008.

_Human Resources:_ Chair Chambers said the committee met July 14. Mr. Wanamaker volunteered to follow up with the foster grandparent program.

_MOTION_, by Chambers, to accept the recommendation of the Human Resources Committee and appoint Robert Thibodeau and Dan Kassner to the Juneau Commission on Aging for terms expiring June 30, 2011. Hearing no objection, it was so ordered.

_MOTION_, by Chambers, to accept the recommendation of the Human Resources Committee and appoint Eric Gross to the youth seat on the Youth Activities Board for a term expiring August 30, 2009. Hearing no objection, it was so ordered.

The next meeting of the HRC is Aug. 11, 2008.

_Public Works and Facilities:_ Chair Doll said the PWFC got briefings on the Consolidated Public Works shop, the Bartlett Project, and the DZ covered play area. The next meeting is August 4, 2008.

_Executive Compensation Committee:_

Mr. Wanamaker reported that this temporary subcommittee met June 27, reviewed the compensation for the city manager and city attorney, and made the following motion:

_MOTION_, by Wanamaker, to move the City Manager and City Attorney from Schedule A to Schedule B, retroactive to their anniversary dates.

Mayor Botelho said that this amounts to a change from $125,000 to $133,413 for the city manager and from $117,358 to $125,174 for the city attorney.
Hearing no objection, it was so ordered.

B. Liaison Reports

*Sustainability Commission:* Liaison Doll said the group met and discussed heat pumps and an upcoming Farmers Market to be held August 30, 2008.

*Bartlett Hospital Board:* Liaison Sanford said Rorie Watt gave a presentation to the Hospital Board. He did an excellent job, the board was very happy with the presentation and where the projects are at, and they appreciated his frankness and information.

*Planning Commission:* Liaison Anderson said there has been much community discussion on wi-fi towers and this topic was pulled from the last Planning Commission agenda and will likely be on the July 22 meeting agenda.

*AML Methamphetamine Task Force:* Jeff Bush said Anchorage received an earmark of $383,000, and will be doing statewide outreach on this issue. CBJ will need to identify the appropriate people to participate in the project.

XIII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Doll said he understood that the funds for the airport heat pump are not forthcoming from the Denali Commission, and this project is on hold, which was a shame.

Ms. Chambers said that Brenda Hewitt of the United Way raised the question about whether the Juneau Unplugged program could be expanded to include all non-profits as the requests were fewer than first thought. The program was opened to social service agencies, and there are some non-profits that are in an extreme situation due to the electricity crisis. There was some flexibility in the language and Ms. Hewitt was able to help Perseverance Theatre and the Juneau Arts and Humanities Council. Ms. Chambers asked if the manager had sufficient flexibility to make these determinations without further direction from the Assembly.

Mr. Anderson said Mr. Ritchie and Ms. Hewitt said originally that they felt they had the flexibility to make judgment calls, so he was curious what the issue was.

Mr. Sanford said to go along with this discussion – when would this program stop accepting applications and what was the timeframe of the program.

Mayor Botelho said he recalled the timeframe was outlined in the agreement with the groups. Mr. Duncan said that it was about October. Mr. Sanford wanted to get the date before making decisions.

Mayor Botelho said there were many non-profit groups of all kinds in Juneau, and there needed to be a high standard.

Mr. Hartle read from Ordinance 2008-18(b) “The purpose of the funding is to provide the United Way of Southeast Alaska with working capital to provide immediate energy assistance loans and/or grants to economically vulnerable residents and non-profits that serve the vulnerable to allow them to pay increased electricity bills resulting from the disaster.”

Mr. Wanamaker said he was satisfied with the language and the ability of the City Manager and United Way to interpret the language.

Ms. Chamber said she would communicate the Assembly’s comments to the United Way.
Ms. Chambers asked if the amendments to the CPV regulations regarding the taxi operators concern about gas prices was in the works. Mr. Hartle said that the city manager’s office had produced draft regulations which were out for public comment now. The regulations incorporate the requests from the taxi industry.

Mr. Anderson asked if staff had any information about the comments regarding barriers to prevent pedestrians from entering South Franklin outside of crosswalks. Rorie Watt said it has been a topic of the PWFC for 8-9 years, it is a state road, the answer from DOT is unchanging, and it is a good topic to address. There have been small changes, but the discussion with DOT has met with opposition. Mr. Anderson asked if there was any recent feedback from DOT. Mr. Watt said no. Mr. Anderson asked if this could be back on the PWFC agenda and Mr. Doll said yes.

Mr. Anderson referred to Karla Hart’s testimony and her concern about providing input at the development stage of an ordinance. Mr. Hartle said he was happy to meet with Ms. Hart. He would take a look at the Haines permitting system. At this time, there is nothing like that in the draft ordinance.

Mr. Wanamaker referred to an e-mail from James Sidney regarding a request for relief from CBJ sales tax on fuel. Perhaps a three-member committee could be appointed to investigate and bring back recommendations.

Mr. Sanford said it would be good to get more information and facts from the Finance Department.

Mr. Bush said everyone was hurting from fuel prices, and the tax amount is so small compared to the overall cost. The city has increased costs due to fuel prices so it is not a one-way street.

Mr. Anderson agreed with Mr. Sanford, it might be good to get a report from Mr. Duncan for presentation to the entire Assembly.

Mr. Wanamaker said the committee could ask intelligent questions and report back with a recommendation to the finance committee, but I don’t know the exact questions that the group would determine to exist. If no committee is formed, a report from city staff would be helpful.

Mr. Doll said we have two proposals that will need more money, not less – recycling and transit, and those will be obstacles to this issue.

Mr. Sanford and Mr. Wanamaker offered to serve on this committee. Mayor Botelho asked the two-member committee to meet and report to the Finance Committee.

**XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS** – None.

**XV. EXECUTIVE SESSION** – None.

**XVI. ADJOURNMENT** – 8:45 p.m.

Signed:_______________________________  Signed:_______________________________  
Laurie Sica, Municipal Clerk  Bruce Botelho, Mayor